

FISCAL NOTE

SB 2781 - HB 2714

February 25, 2000

SUMMARY OF BILL: Gives ineligible persons currently enrolled in TennCare 60 days from the effective date of the bill to voluntarily request disenrollment. Failure to disenroll makes the person subject to appropriate criminal penalties for fraud or theft.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$130,000 One-Time
Decrease State Expenditures - Exceeds \$100,000

Other Fiscal Impact:

Increase Federal Expenditures - \$130,000 One-Time
Decrease Federal Expenditures - Exceeds \$200,000

Estimate assumes:

- cost to mail notices to all TennCare enrollees of the amnesty period at a one-time cost of \$260,000 that would be shared between the state and federal government. Since the bill requires the 60-day notification period to begin upon the bill becoming law, it is assumed that a separate mailing will be necessary to notify TennCare enrollees.
- some decrease in enrollment and subsequent savings from persons who would not otherwise be removed from the program. The number of enrollees removed from the program and the amount of savings as a direct result of the bill cannot be determined but can be estimated to exceed \$100,000 in state cost and to exceed \$200,000 in federal cost. If approximately 170 enrollees were removed from the program, the savings would exceed \$100,000 to the state.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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